GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:1183
ANSWERED ON:02.05.2016
Modernisation of Steel Plants
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Will the Minister of STEEL be pleased to state:

(a) whether the Government proposes or has any proposal for modernisation and expansion of public sector steel plants in the country;
(b) if so, the details thereof along with the steps taken/being taken in this regard, plant-wise;
(c) whether the Government has any specific plans/ideas to rejuvenate the steel sector in the country; and
(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF (SHRI VISHNU DEO SAI)
STEEL AND MINES

(a)&(b): Steel is a deregulated sector and the decisions regarding modernisation and expansion of public sector steel plants are taken by the respective public sector companies, based on commercial considerations and market dynamics. Steel Authority of India Ltd. (SAIL) and Rashtriya Ispat Nigam Ltd. (RINL) have undertaken modernization and expansion programme funded from their own sources. Modernization and expansion of Rourkela, IISCO Burnpur, Durgapur, Bokaro & Salem steel plants of SAIL and Vizag Steel Plant of RINL have been completed. Modernization and expansion of Bhilai steel plant of SAIL is likely to be completed by December, 2016. RINL has also undertaken Modernisation of the existing major process units of Vizag Steel Plant.

(c)&(d): The Government has taken the following steps to rejuvenate the steel industry:-

(i) For ensuring raw material availability, the Government had issued MMDR Amendment Act, 2015 & rules there under which provides for allocation of iron ore to 'specified end use'. As per the provisions of the Act, State governments have also to initiate and expedite the process of auction to maintain the sufficient availability of iron ore at cheaper prices for the steel sector.

(ii) Issued the Steel & Steel Products (Quality Control) Orders in March, 2012 and December, 2015 to ensure that only quality steel is produced / imported in India.

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(iii) For reducing the stress in the steel sector, RBI has extended 5:25 scheme in July, 2015, whereby longer amortization period for loans to projects in infrastructure and core industries sectors, say 25 years, based on the economic life or concession period of the project, with periodic re-financing, say every 5 years, is allowed.

(iv) Imposed Minimum Import Price (MIP) on 173 steel products in order to provide a level playing field to domestic producers against the injury caused as evident from the decline in margins of the producers.

(v) Increased the peak rate of basic customs duty on both flat and non-flat steel to 15% from 10% in the Union Budget 2015-16.

(vi) Increased the import duty on ingots & billets, alloy steel (flat & long), stainless steel (long) and non-alloy long products to 7.5% (from 5%) and non-alloy and other alloy flat products to 10% (from 7.5%). This has been further revised in August, 2015. Currently, import duty on flat steel is applicable at 12.5%, on long steel products at 10% and on semi-finished steel products at 10%.

(vii) Levied the Anti-Dumping Duty for five years on imports of certain variety of hot-rolled flat products of stainless steel from China ($ 309 per tonne), Korea ($ 180 per tonne) and Malaysia ($ 316 per tonne).

(viii) Imposed the Safeguard Duty of 20% in March, 2016 on hot-rolled flat products of non-alloy and other alloy steel, in coils of width of 600 mm or more.

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